A horizontal banner featuring a world map with a grid overlay, spanning the width of the slide.The logo for Ade, consisting of a stylized red "A" and "e" stacked vertically.

MILPITAS ECONOMIC STRATEGIC PLAN

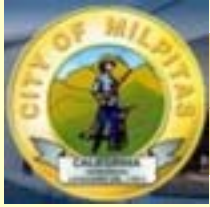
**Milpitas City Council
July 5, 2005**



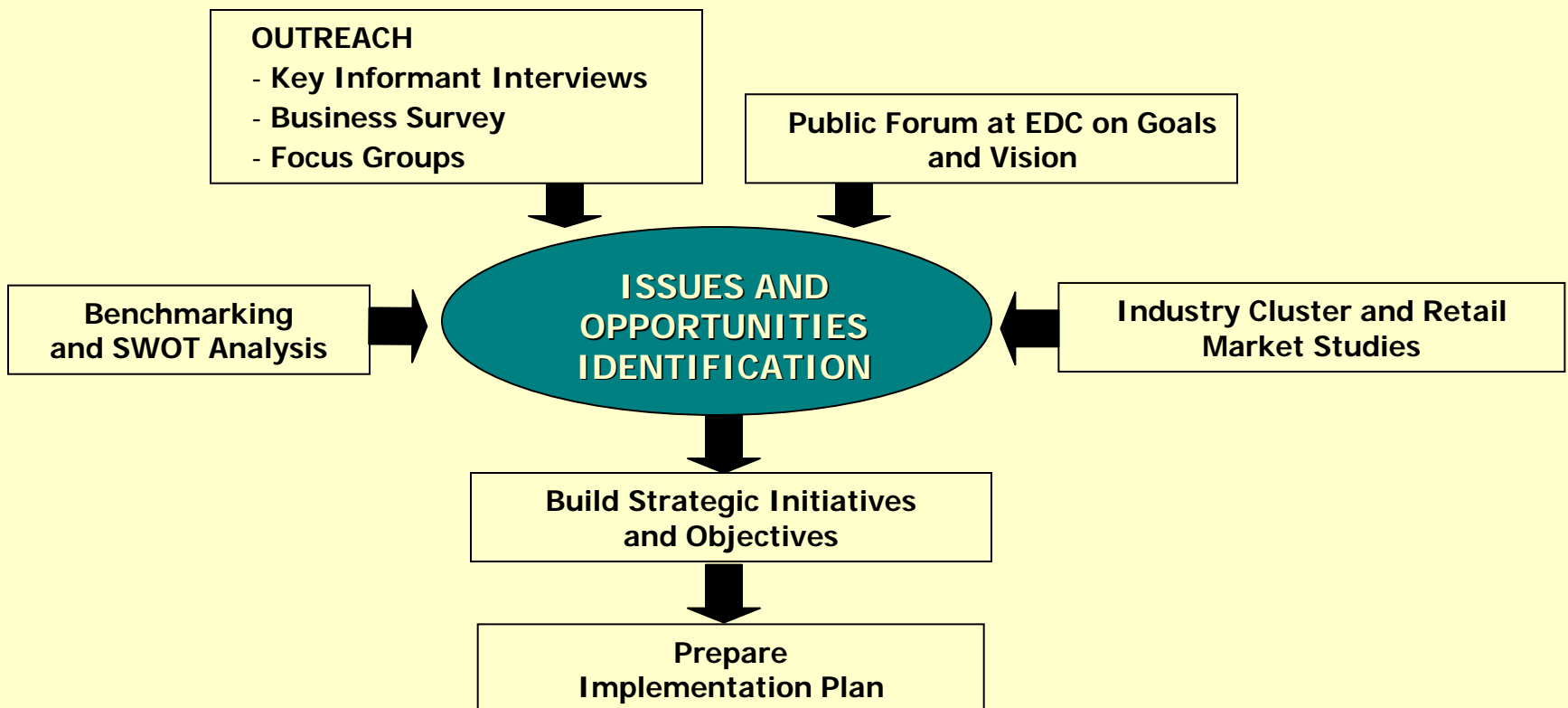
Overview: Next Few Slides



- **Overview of Economic Development Commission's strategic planning process of developing goals and objectives**
- **Overview of findings and key issues**
- **Presentation on suggested goals and objectives**
- **Discussion**



Milpitas Economic Strategic Plan Process





Key Findings: Public Input



- Public forum
 - 30 attendees
 - 9 EDC members
 - 90 minutes
- Major employer survey
- Local business survey— retail analysis
- Interviews with cluster executives—cluster analysis



Key Findings: Public Input



- Local business strengths include central location, easy transportation access and diverse ethnic population; attract many customers from outside Milpitas, especially San Jose
- Companies in key industries do most manufacturing outside the Bay Area and the U.S.; shortage of engineers in Bay Area limits growth; locating R&D and design centers in Asia.



Key Findings: Public Input



- Major international corporation survey respondents who lived outside Milpitas (82%) chose place to live based on neighborhood and housing quality and low crime rates. Milpitas residents chose place based on shorter commutes and housing prices.
- Strong desire on part of forum participants for vibrant downtown; higher quality K-12 schools; improved city image; better business climate.



Key Findings: Retail Sales



- Milpitas residents comprise a \$394 m. market; stores capture \$864 m. in sales annually.
- Lose sales to other cities in automobiles, groceries, furniture and other general merchandise; no upscale grocery or restaurants.
- Great Mall retail sales per sq. ft. lags behind other malls; evolving to include more upscale shops.
- New competition from Pacific Commons in Fremont and remodeled centers in No. San Jose.



Findings: Industry Cluster Analysis



- Primary economic drivers of Milpitas economy are:
 - Computer and communications hardware
 - Semiconductors
 - Electronic components
 - Software
 - Biomedical
- Make up 46% of total employment in City.
- Growth and expansion limited by shortage of engineers and affordable housing.
- Innovation Services and Creative Services offer more opportunity for growth but limited by lack of Class A office space.



Key Findings: Benchmarks



- Milpitas has most affordable housing relative to local wages
- 60% of residents speak two or more languages
- 2% of employed residents work at home; low
- 1.5 jobs for each employed resident; 2.8 jobs for each housing unit; shortage of housing matched to population of workers
- K-12 schools average; fewer students interested in college.
- Retail sales per capita is \$12,890. Palo Alto is \$19,421



GOALS



1. Improve Milpitas' image as a place to live, work and shop
2. Improve retail spending opportunities
3. Balance housing supply with housing demand from local workers
4. Retain and support the success of existing and new businesses
5. Improve the employability of local residents
6. Diversify Milpitas' economic base



GOALS



Goal 1: Improve Milpitas' image as a place to live, work and shop

Objective 1A: Build and maintain an effective place-branding strategy



GOALS



GOAL 2: Improve retail spending opportunities

Objectives

- 2A: Diversify mix of retailers within the Midtown area**
- 2B: Expand the existing regional shopping opportunities in the area that includes the Great Mall**
- 2C: Increase demand for upscale retail**



GOALS



Goal 3: Balance housing supply with demand for housing by local workers

Objective 3A: Improve the balance of housing opportunities and job opportunities by increasing the percentage of Milpitas workers who live in Milpitas



GOALS



Goal 4: Retain and support the success of existing & new businesses

Objective 4A: Retain and expand existing Milpitas-based companies.



GOALS



Goal 5: Improve the employability of local residents

Objectives

- 5A: Consider the establishment of a career center that would help match local workers with local jobs.**
- 5B: Consider the establishment of specialized training centers that support local jobs**
- 5C: Increase entrepreneurial participation among City residents**



GOALS

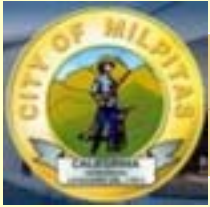


Goal 6: Diversify Milpitas' economic base

Objectives

6A: Attract new businesses to Milpitas

6B: Increase the supply of Class A professional office space



EDC RECOMMENDATION:

**Approve Economic Strategic
Plan as submitted.**



NEXT STEP:

Implementation Plan